Fire in oil depot at Jaipur

561. SHRI MAHENDRA MOHAN:

DR. (SHRIMATI) NAJMA A. HEPTULLA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that due to fire in oil depot at Jaipur, there has been smoke all around Jaipur;

(b) what are the guidelines for having oil depots;

(c) whether these depots can be installed in the populated areas; and

(d) if so, the reasons and responsibility for causing health hazards to human lives in the populated areas?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) It has been reported that black smoke was seen emitting from the site of the incident due to burning of petroleum products.

(b) to (d) The setting up of oil depots depends on the supply- demand situation of the area to be served and the location is determined by factors like various mandatory clearances from Central/ State and local authorities. Generally, the depots are set up in scarcely populated areas. However, it is observed that the density of population increases after the depot is commissioned.

Strengthening regulatory framework for the petroleum sector

562. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether in view of the recent spate of disputes in the petroleum sector, Government is contemplating a revamp and strengthening of the independent regulatory framework for the petroleum sector; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) No, Sir.

(b) Does not arise.

Parking of surplus funds of ONGC with banks

563. SHRI N. R. GOVINDARAJAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil and Natural Gas Corporation (ONGC) has protested the Finance Ministry direction of parking surplus funds with only with the Public Sector Undertaking (PSU) Banks;

(b) if so, the details thereof;

(c) whether it is a fact that the rate of interest offered by public sector banks on bulk deposits are less than the rates offered by them on retail deposits for the same period of maturity and ONGC which has cash surplus of about 18,000 crores is losing Rs.200-300 crores in interest revenue annually on this move; and

(d) if so, the details thereof and the reaction of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) Oil and Natural Gas Corporation (ONGC) have expressed difficulty with the implementation of the Government guidelines relating to investment of their surplus funds. They have mainly pointed out that the process of placing deposits with banks without inviting competitive bids is causing loss of interest revenue.

(c) and (d) In order to avoid undesirable competition amongst banks leading to arbitrary hikes in deposit rates, resulting in adverse consequences for the economy, the Government had advised all Central Public Sector Enterprises (CPSEs) to invest their surplus funds with Public Sector Banks at their published card rates, without inviting competitive bids.

Project cost of Reliance Industry's KG basin fields

564. SHRI T. K. RANGARAJAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Ministry has approved a hike in project cost of Reliance Industry Krishna Godavari Gas fields;

(b) if so, the details thereto along with the details of the amount approved previously by the Ministry as the project cost;

(c) what was the criteria adopted for assessing the project cost;

(d) whether this increase would result in the increase of retail power tariffs; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) The KG-DWN-98/3 (D-6), awarded under New Exploration Licensing Policy (NELP-1) in the year 2000, had the first discovery of gas in 2002. The initial recoverable reserve was conservatively estimated at 5 TCP (Trillion Cubic Feet) of gas. As required under Production Sharing Contract (PSC) an initial field development plan was proposed by the Contractor to Management Committee for its approval with an investment estimate of US $ 2.5 billion. The field development plan (FDP) is a tentative plan of the reserve estimate and the work program to exploit the reserve and includes an initial investment estimate. The development plan is updated and improved upon over the field life based on the improved geological knowledge gathered from drilling of more wells. The investment is made by Contractor and Government does not invest it's funds.